

# **Alaska Department of Labor and Workforce Development**

## **Division of Employment and Training Services**



## **Incumbent Worker Training Guide**

Equal opportunity employer/program.  
Auxiliary aids and services are available upon request to individuals with disabilities.

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## Program Overview

The Incumbent Worker Training (IWT) Program is funded by the Workforce Innovation and Opportunity Act (WIOA) and administered by Department of Labor and Workforce Development, Division of Employment and Training Services (DETS).

The program is designed to increase the competitiveness of the business and incumbent workers by ensuring they acquire the skills necessary to retain employment, advance within the business or to provide the worker skills necessary to avert a layoff. The training is conducted with a commitment by the employer to retain the incumbent workers who received the training.

Incumbent workers are employed at the time of their participation and the public funds are paid to the employer for the costs of the training provided. The training must increase both the employee's and the company's competitiveness.

An ideal incumbent worker training would be one where an employee acquires new skills allowing him or her to move into a higher skilled and higher paid job within the company, thus allowing the company to hire a job seeker to backfill the incumbent worker's position.

Incumbent worker training may also be an appropriate service that would help an individual move up a career ladder within an apprenticeship programs. This in turns allows businesses to remain competitive, become more productive, and increase job opportunities for local residents.

DETS promotes the creation of new USDOL Nationally Recognized Apprenticeship programs. Employers may be eligible to utilize incumbent worker training for apprenticeship programs that are within the first five years of sponsorship.

The benefits of incumbent worker training include:

### **For Employers**

- Increased Competitiveness
- Skilled Workforce
- Increased Productivity
- Increased Profits
- Company Growth
- Reduced Turnover

### **For Employees**

- Advancement Opportunities
- Increased Job Competitiveness
- Industry Recognized Credentials
- Job Retention
- Transportable/Transferrable Skills

## Available Funding

The amount of incumbent worker training funding fluctuates each year and is contingent upon availability and receipt of federal funds. Applications are reviewed on a first-come/first-served basis

until all available funding has been awarded. If a business has more than one location in Alaska they are considered one business if they share the same FEIN number. If each location has a different FEIN number, they are considered separate businesses and are required to submit separate applications for funding.

## Funding Priorities

Requests for funding will be prioritized and the following are considered higher priority:

- Size of the business - smaller businesses with less than 50 employees;
- Location of the business – businesses located in rural areas or distressed areas as identified by the American Community Survey;
- Targeted industry – training for occupations in targeted industries as defined by the Alaska Workforce Investment Board;
- Quality of the training – training that leads to a significant upgrade in employee skills; and
- Layoff aversion – training provided to increase employee skills as a layoff avoidance strategy.

## Training Services

One of the great features of incumbent worker training is that it provides flexibility regarding the types of training and the training provider based upon the employers overall workforce development needs. The training may be provided by public or private educational institution, a private training company or private instructor, a company employee, or a combination of training providers; and provided at the company's facility, at the training provider's facility, or a combination of locations. The employer may select an external training provider that best suits their training needs.

Incumbent worker training is exempt from the WIOA eligibility requirements of section 122(a)-(f) that require training providers to be listed on the state's Eligible Training Providers List.

Training may be delivered in-person or online and types of training include:

- occupational skills training designed to meet the special requirements of a business or industry;
- upgrading of required certifications;
- professional development (e.g., leadership training);
- training in strategies to improve efficiency of business operations; and
- technical/hard skills training such as computer software training.

Types of training that cannot be funded include:

- CPR and First Aid;
- mandated safety training (OSHA and other);
- new hire orientation;

- diversity and sexual harassment;
- English as a second language;
- degree programs;
- self-paced learning;
- basic skills or remedial education;
- personal development courses;
- workplace literacy or soft skills;
- non job related training;
- non-skill related assessments; and
- training that includes the cost of equipment such as iPads or other equipment, supplies, or devices that can be used outside of training.

## Employer Share of Training Costs/Contribution

Employers must provide a contribution to the incumbent worker training program depending on the size of their business. This contribution can include wages paid to their employees during the time they are in training, as well as other in-kind contributions. Employer contribution rates are:

- 50 or fewer employees = 10 percent
- 51-99 employees = 25 percent
- 100 or more employees = 50 percent

Employer cost share contributions and methodology used to determine the value of in-kind contributions must be tracked and documented as part of the grant award. Additionally, cost sharing requirements referenced in [2 CFR 200.306](#) must be documented.

## Eligibility Requirements

### Employer

Eligible employers must meet the following eligibility criteria:

- In business for at least one year prior to the application date;
- must have at least one full-time employee who is an Alaska resident, a sole-proprietor may be considered a full-time employee;
- ensure the employee is being paid at least the greater of 50 percent of the average (mean) wage for the occupation in the region as determined by data from the Alaska Research and Analysis website <http://live.laborstats.alaska.gov/wage/>; **OR** a minimum of \$15 per hour. If the employee wage does not meet this threshold, the employer may choose to raise it to that level and would then be eligible to qualify for incumbent worker training funds;
- provide a financial training contribution towards the employee's training;

- training must prevent job loss caused by obsolete skills, technological, national or global change;
- be in compliance with Alaska's Unemployment Insurance laws; and
- not be a temporary employment agency, employee leasing firm or staffing agency, casino or other gambling establishment, aquarium, zoo, golf course, or swimming pool.

## Employee

Employees chosen to participate in the incumbent worker training must meet the following criteria:

- a U.S. citizen or otherwise legally entitled to work in the U.S.;
- age 18 or older;
- registered with Selective Service if male and born on or after January 1, 1960, unless an exception is justified;
- not be directly supervised by an immediate family member<sup>1</sup>;
- have an established employment history with the business for six (6) months or more<sup>2</sup>;
- be in an employer-employee relationship as defined by the [Fair Standards Act](#); and
- be an Alaskan resident working at a physical location in Alaska.

## Project Considerations

The following factors are considered when determining the viability of an incumbent worker training project:

1. The characteristics of the incumbent workers and how they will benefit from the training. Priority is given to employers who propose to train individuals who are low income, individuals with disabilities, older individuals, ex-offenders, homeless, youth who are in or have aged out of the foster care system, English language learners, individuals who have low levels of literacy or cultural barriers and single parents;
2. The quality of training. Whenever possible, the project should allow the employee to gain industry-recognized training experience and credentials and an increase in wages;
3. The number of employees that will be trained;
4. The wage and benefit levels of employees, before and after training;
5. occupation(s) for which incumbent worker training is being provided;
6. The length of the training. Training should not exceed 12 months; and

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<sup>1</sup> Immediate family is defined per WIOA regulations (20 CFR 683.200(g)) as spouse, child, son-in-law, daughter-in-law, parent, mother-in-law, father-in-law, sibling, brother-in law, sister-in-law, aunt, uncle, niece, nephew, stepparent, stepchild, grandparent, and grandchild;

<sup>2</sup> Have an established employment history with the business for six months or more – unless the incumbent worker training is provided to a cohort of employees. In this situation, not every employee in the cohort must meet the six month employment history as long as the majority of the employees being trained meet the employment history criteria.

7. The commitment to retain or avert the layoff of employees receiving training.

Projects are **NOT** eligible for training funds if:

1. the employer has any other individual on layoff from the same or substantially equivalent position that the incumbent worker is being trained for;
2. the project will infringe upon the promotion of or displacement of any currently employed worker or a reduction in their hours;
3. the same or a substantially equivalent position the employee will be trained for is open due to a hiring freeze;
4. the position(s) are for seasonal employment; or
5. the position is not full time, i.e. minimum of 32 hours per week.

## Consortium Training Grants

A consortium is defined as a training provider, educational institution, or an industry association that can apply on behalf of the employer as the administrative entity. The consortium must partner with two or more employers in order to be eligible to apply for incumbent worker training funds. The multiple employers must be in the same industry sector and require the same training skills.

The training proposal must:

- serve employees of at least two (2) different employers in the same industry sector;
- provide training descriptions and outcomes for the employees from each employer participating in the proposed training.

## Application Process

The incumbent worker training application may be found at <http://labor.alaska.gov/bp/home.htm> or <https://egram.s.dol.alaska.gov/egram.s/user/home.aspx>. Once the application is completed it may be submitted to [dol.IWT@alaska.gov](mailto:dol.IWT@alaska.gov).

The application should clearly describe the training project, anticipated outcomes and a detailed budget. The training should directly assist the company to increase its competitiveness, viability and/or profitability; create or save jobs; reduce turnover; and increase the short or long term wages of the employee.

### Other training sources

There are training programs on the local and state level designed to support Alaska workforce development needs. Businesses may use any or all of these training programs concurrently, however

each training program must support a specific training. Receipt of other training grants must be disclosed in the incumbent worker application.

## Project Budget

The cost of training per employee should be reasonable as compared to the type of training being delivered. Costs of the training project must be “necessary and reasonable” and fall within one of the following budget line items:

- *Personal Services* – Instructor staff wages/salaries include regular wages and fringe benefits for staff performing the training. Overtime is not an allowable expense. Timesheets may be required to document time worked.
- *Travel* – Instructor transportation, lodging and per diem are allowable and daily rates may not exceed the State of Alaska’s travel rates.
- *Contractual* – Costs for contracted instructor, rental of equipment, or rental of facility to perform training. The employer may not charge rental of its own facility or equipment towards the award.
- *Training Supplies* – Supplies that are directly related to training i.e. welding supplies, training manuals, small tools.
- *Participant/Employee Services* – Incumbent worker costs such as wages/salaries, travel, tuition, and special work clothing/tools are allowed and documented in this section of the budget.

## Single Audit

Businesses that are recipients or sub recipients of state funding of \$500,000 or more or federal funding of \$750,000 or more in a fiscal year will be subject to [Single Audit Requirements](#). The company is responsible for the cost of the audit and IWT funds CANNOT be used to cover these costs.

## Application Review

The application and supporting documents will be reviewed by DETS staff to ensure all required information has been received. Due Diligence will be conducted to identify how long the company has been registered to conduct business in Alaska and to determine whether the company has any outstanding judgment liens on file. Additionally, employers must be in compliance with unemployment insurance, occupational safety and health administration, workers’ compensation taxes, wage and hour, business licensing, or other state and federal mandated requirements by an employer or grant recipient.

Once the initial application is reviewed a due diligence completed, the proposal will be provided to the DETS Director to determine if the proposal will be funded.

## Notification of Approval or Denial



Once the Director has made a decision on the award, a notice of grant approval or denial will be sent to the applicant. If approved, the grant amount and the date that training can commence will be listed. Training may commence as of the approval date provided in the congratulatory email.

## Appeal Process

Applicants who do not receive an award may file a request for reconsideration as outlined in the DETS [Grant Award and Appeal Policy 07-507](#).

## Grant Agreement

The incumbent worker training grant will be processed through the DETS grant management system, EGrAMS. Grant awards will coincide with the state fiscal year which begins July 1 and ends June 30<sup>th</sup>. There is no provision in the grant for extending beyond June 30<sup>th</sup>.

The grant agreement will identify all processes and expectations for administering, implementing, and completing the training. Training must be completed within the state fiscal year that it was granted.

No reimbursements will be made until the grant is fully executed. Training which began prior to the date of the grant award cannot be paid for with grant funds. Final reimbursement requests must be submitted no later than 10 days following the end of the award period, June 30.

## Monitor Requirements

Federal law requires all federally funded grants to be monitored. The employer must agree to cooperate with monitoring efforts as required by WIOA legislation and adhere to all other applicable local, state, and federal rules and regulations.

## Reporting Requirements

### Participant Tracking

Incumbent workers who receive training under the grant must be tracked in the DETS case management system and reported in federal reports. The employer is required to submit participant information including name, ssn, date of birth, race, and other demographic information.

### Project Progress

Progress reports on project deliverables are required monthly and are submitted through the EGrAMS system. If no work was completed on the project during the month, the progress report is still required, it just needs to reflect that no training took place during the month.

### Final Report

Upon completion of the project a final report on the training outcomes is due 10 days after the grant period ends. The final report will be submitted through the EGrAMS system.

## Reimbursement Requests

Requests for reimbursement for the costs of training will be submitted through the EGrAMS system on a monthly basis. Businesses should maintain adequate records of the costs associated with the training, information about the training provider, a detailed description of training, and benefits the training activities has been provided to the employees.

Supporting reimbursement documents include:

- General ledger indicating expenditure, payments and contribution applied to project; or
- Invoices in lieu of the general ledger. The invoice should include the dates and types of training that was provided and copy of the check with which the invoice was paid or other financial documentation as evidence of payment; and
- For each training session, a copy of the roster, which includes trainees' names and social security numbers or birthdates.

Any costs associated with employees deemed ineligible by WIOA regulations will not be reimbursed. Whether the trainer charges a flat fee or a per employee fee, the invoice will be pro-rated to exclude ineligible employees.

## Records Retention

Business will also need to keep accurate financial records that support the training and subrecipient contribution for the purpose of requesting reimbursements and reporting training activity as accurate and true for a period of at least six years.

## Amendment Request

If the project deliverables change, such as needed to move from on-line training to in-person training, or training contract amounts change, etc. The employer may request an amendment to the grant in accordance with the DETS [Grant Amendments Policy 07-526](#). The DETS grants administrator will evaluate the amendment request and the employer will be notified of the approval or denial of the amendment.

## References

- [Workforce Innovation and Opportunity Act, Section 3 Definitions, \(23\) In-Demand Industry Sector or Occupation](#)
- [Workforce Innovation and Opportunity Act Section \(3\) Definitions, \(44\) On-The-Job Training \(H\) Reimbursement for the on-the-job training \(i\) Reimbursement level](#)

- [Workforce Innovation and Opportunity Act Section 134 Use of Funds for Employment and Training Activities, \(d\) Permissible Local Employment and Training Activities, \(4\) Incumbent Worker Training Programs](#)
- [WIOA Section 134\(c\) Required Local Employment and Training Activities, \(3\) Training Services, \(H\) Reimbursement for on-the-job Training](#)
- [20 CFR Part 680.530 What eligibility requirements apply to providers of on-the-job training, customized training, incumbent worker training, and other training exceptions](#)
- [20 CFR Part 680.780-840 Who is an “incumbent worker” for purposes of statewide and local employment and training activities?](#)
- [2 CFR 200.306 Cost Sharing and Matching](#)
- [WIOA Incumbent Worker Training Policy 07-529.1](#)
- [Fair Labor Standards Act](#)
- [Due Diligence Policy 0-527](#)
- [Grant Award and Appeal Policy 07-507](#)
- [Grant Amendment Policy 07-526](#)
- [Subrecipient Contributions Procedures](#)